



Opening Statement of Senator Chuck Grassley
Senate Finance Committee Hearing on
“The Administration’s 2007 Trade Agenda”
February 15, 2007

This is an important hearing. There are a number of trade issues that must be dealt with this year. Our nation’s economic health and prosperity depend on our getting it right. We need to produce concrete results for the American people. For me, that starts with implementing our pending trade agreements with Peru and Colombia, soon to be joined by Panama. These are critically important trade agreements. Not only do they level the playing field for U.S. exporters in important markets. They’re also a means of counter-acting the damaging trend toward statism that we’re seeing in Venezuela, Bolivia, and Ecuador. It would be irresponsible if Congress fails to implement these agreements with our allies in Latin America.

We also need to reauthorize Trade Promotion Authority (TPA) this year. I don’t see this as a partisan issue. Every president should have Trade Promotion Authority. Without it, I think the chances that we’re going to get meaningful market access commitments from our trading partners are between zero and none. The Doha negotiations are up and running again. Ambassador Schwab is working hard to achieve a breakthrough in those negotiations. I support her efforts. But I remain skeptical that we’ll get a real breakthrough unless Congress first extends Trade Promotion Authority. Why would our trading partners put their final cards on the table if it appears that the President can’t close out a deal with the assurance of an up or down vote in Congress? The answer is, they won’t. So, we have to extend TPA, and we have to do so in a manner that will promote the successful conclusion of our trade negotiations.

Just as important is the reauthorization of our Trade Adjustment Assistance (TAA) program. The current authorization for TAA expires at the end of this fiscal year. I look forward to examining how we can improve TAA in a fiscally responsible way. Senator Baucus and I commissioned a series of GAO studies of TAA, and I anticipate building on that work to ensure the program best meets the needs of our workers dislocated by trade.

One item that we’re going to revisit from the last Congress is the issue of currency exchange rates. I’ve committed to working with Chairman Baucus and our colleagues, Senator Schumer and Senator Graham, on revamping our currency oversight legislation. Twenty years ago our concern was

the Japanese yen. Today our primary concern is with China's currency. Tomorrow, who knows? We need to overhaul our currency oversight laws in a way that meets today's concerns and is flexible enough to meet tomorrow's needs, too. We have other issues to examine with respect to China, such as compliance with China's obligations under the World Trade Organization and enforcement of intellectual property rights.

Another area for committee oversight is with respect to our trade relations with Russia. We've closed out our bilateral accession agreement on Russia's entry into the World Trade Organization. But we still need to conclude the multilateral Working Party Report and Protocol of Accession. The Working Party Report will detail how Russia will change its trade regime to conform to the rules of the World Trade Organization. That includes rules for the protection of intellectual property rights, an area where Russia currently is lagging. The coming year presents an opportunity for Russia to evidence that it is a good-faith partner on trade. We need to see a sustained course of action that demonstrates Russia's commitment to respect and enforce the rule of law as a future member of the World Trade Organization.

Later this year I also expect to revisit with Chairman Baucus our work on customs issues. In 2006, Congress passed the Security and Accountability For Every Port Act, also known as the SAFE Port Act. The SAFE Port Act included a number of mandates on the Department of Homeland Security and the Bureau of Customs and Border Protection to report back to Congress. We'll use those reports as we continue our oversight to ensure that Customs and Border Protection is meeting its dual mission of securing our borders and facilitating the flow of international trade.

Hopefully we'll have additional matters to address, such as new trade agreements with South Korea and Malaysia, and maybe even a Doha agreement at the end of the day. Clearly, there's a lot of work to be done. So I look forward to working with Chairman Baucus, the other members of the committee, and the Administration, to produce concrete results for the American people.